

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK  
Case No. 08-13555 (JMP)

- - - - -x

In the Matter of:

LEHMAN BROTHERS HOLDINGS, INC., et al.,  
  
Debtors.

- - - - -x

United States Bankruptcy Court  
One Bowling Green  
New York, New York

January 20, 2011  
10:08 AM

B E F O R E:  
  
HON. JAMES M. PECK  
  
U.S. BANKRUPTCY JUDGE

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

Debtors' Tenth Omnibus Objection to Claims (Amended and  
Superseded Claims) [Docket No. 9093]

Debtors' Thirty-Fifth Omnibus Objection to Claims (Valued  
Derivative Claims) [Docket No. 11260]

Debtors' Thirty-Seventh Omnibus Objection to Claims (No  
Liability Claims) [Docket No. 11302]

Debtors' Fifty-First Omnibus Objection to Claims (Duplicative  
of Indenture Trustee Claims) [Docket No. 11608]

Debtors' Sixty-Third Omnibus Objection to Claims (Valued  
Derivative Claims) [Docket No. 11978]

Debtors' Sixty-Seventh Omnibus Objection to Claims (Valued  
Derivative Claims) [Docket No. 12533]

Debtors' Sixty-Ninth Omnibus Objection to Claims (Settled  
Derivative Claims) [Docket No. 13109]

Debtors' Seventieth Omnibus Objection to Claims (Settled  
Derivative Claims) [Docket No. 13110]

1 Debtors' Seventy-Second Omnibus Objection to Claims (Amended  
2 and Superseded Claims) [Docket No. 13271]

3  
4 Debtors' Seventy-Third Omnibus Objection to Claims (To  
5 Reclassify Proofs of Claim as Equity Interests) [Docket No.  
6 13295]

7  
8 Debtors' Seventy-Fourth Omnibus Objection to Claims (To  
9 Reclassify Proofs of Claim as Equity Interests) [Docket No.  
10 13328]

11  
12 Debtors' Seventy-Fifth Omnibus Objection to Claims (To  
13 Reclassify Proofs of Claim as Equity Interests) [Docket No.  
14 13329]

15  
16 Motion of Lehman Brothers Finance Asia Pte Ltd. (In Creditors  
17 Voluntary Liquidation) for Entry of an Order (I) That Its  
18 Derivative Guarantee Questionnaires be Deemed Timely Filed  
19 Proofs of Claim and (II) Permitting a Late Claim Filing  
20 Pursuant to Federal Rule of Bankruptcy Procedure 9006(b)(1)  
21 [Docket No. 11167]

22  
23  
24  
25 Transcribed by: Sharona Shapiro

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

A P P E A R A N C E S :

WEIL, GOTSHAL & MANGES LLP

Attorneys for Debtors

200 Crescent Court

Suite 300

Dallas, TX 75201

BY: ERIN D. ECKOLS, ESQ.

WEIL, GOTSHAL & MANGES LLP

Attorneys for Debtors

767 Fifth Avenue

New York, NY 10153

BY: GARRETT A. FAIL, ESQ.

KRAMER LEVIN NAFTALIS & FRANKEL LLP

Attorneys for Lehman Brothers Finance Asia Pte Ltd.

1177 Avenue of the Americas

New York, NY 10036

BY: DANIEL M. EGGERMANN, ESQ.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

MILBANK, TWEED, HADLEY & MCCLOY, LLP

Attorneys for the Official Committee of  
Unsecured Creditors

One Chase Manhattan Plaza

New York, NY 10005

BY: DENNIS C. O'DONNELL, ESQ.

BRADLEY SCOTT FRIEDMAN, ESQ.

O'MELVENY & MYERS

7 Times Square

New York, NY 10036

BY: DANIEL S. SHAMAH, ESQ.

STUTMAN, TREISTER & GLATT

Attorneys for Elliot

1901 Avenue of the Stars

12th Floor

Los Angeles, CA 90067

1 BY: MICHAEL NEUMEISTER, ESQ. (TELEPHONICALLY)

2  
3 CHAPMAN & CUTLER LLP

4 Attorneys for U.S. Bank

5 111 West Monroe Street

6 Chicago, IL 60603

7  
8 BY: JAMES HEISER, ESQ. (TELEPHONICALLY)

9 FRANKLIN TOP, ESQ. (TELEPHONICALLY)

10  
11  
12 ALSO PRESENT: (TELEPHONICALLY)

13 ANATOLY BUSHLER, Farallon Capital Management, LLC

1 P R O C E E D I N G S

2 THE COURT: Be seated, please.

3 Mr. Fail, that's a whole new look.

4 MR. FAIL: New year, new look, Your Honor.

5 MS. ECKOLS: Good morning, Your Honor. Erin Eckols  
6 with Weil Gotshal for the debtors.

7 I will be covering agenda items 1 through 12 which are  
8 six carryover items from prior omnibus objections and then six  
9 new omnibus objections. The debtors are proceeding uncontested  
10 today as all formal responses have been resolved or adjourned.

11 THE COURT: Okay.

12 MS. ECKOLS: Your Honor, starting with agenda item  
13 number 1, which is a carryover item from the debtors' tenth  
14 omnibus objection, the tenth omnibus objection sought to  
15 disallow and expunge claims that had been admitted and  
16 superseded by other filed claims.

17 Mr. Hoogstraten's claim 45259 was on that objection  
18 and Mr. Hoogstraten filed a response which has since been  
19 resolved. Mr. Hoogstraten's concern was that the designated  
20 surviving claim, claim 64598, had been reported on the claims  
21 register as an undetermined amount instead of the 106,132  
22 dollars that he was asserting. The debtors worked with the  
23 claims agent to address this issue and the claims register now  
24 reflects the surviving claim as having an asserted value of  
25 106,132 dollars which resolves Mr. Hoogstraten's concern.

1           Accordingly, the debtors are seeking to disallow and  
2           expunge Mr. Hoogstraten's claim 45259 on an uncontested basis  
3           and respectfully request that the Court grant the debtors'  
4           tenth omnibus objection as to his claim.

5           THE COURT: It's granted.

6           MS. ECKOLS: Your Honor, agenda item number 2 is also  
7           a carryover item from the debtors' thirty-fifth omnibus  
8           objection. The thirty-fifth omnibus objection sought to reduce  
9           and allow certain derivative claims filed against the debtors.  
10          Today the debtors are proceeding as to the claims filed by  
11          Darby Financial Products, claims 19182 and 19183. The parties  
12          have reached agreement that those claims should be reduced and  
13          allowed at 2,475,000 dollars.

14          Accordingly, the debtors respectfully request that the  
15          Court grant the thirty-fifth omnibus objection as to the Darby  
16          Financial Products claims and reduce and allow them at  
17          2,475,000 dollars.

18          THE COURT: It's granted as to that claim.

19          MS. ECKOLS: Your Honor, agenda item number 3 is a  
20          carryover item from the debtors' thirty-seventh omnibus  
21          objection. The thirty-seventh omnibus objection sought to  
22          disallow and expunge claims filed against entities that are not  
23          jointly administered debtors in these Chapter 11 cases.

24          Today the debtors are proceeding as to claim 12708  
25          filed by Anthracite Rated Investments against Lehman Brothers



1 Finance AG. Anthracite did not file a formal response to the  
2 thirty-seventh omnibus objection but reached out to the debtors  
3 informally. While Anthracite acknowledged that its claim was  
4 against an entity that is not a debtor in these cases, it was  
5 concerned that having the claim disallowed and expunged in  
6 these proceedings would affect Anthracite's claim that is  
7 pending against Lehman Brothers Finance AG in another venue.

8 The parties consensually resolved these issues by  
9 adding a paragraph to the proposed order stating that the  
10 disallowance and expungement of a claim pursuant to the thirty-  
11 seventh omnibus objection is not a substantive determination of  
12 whether or not the claimant has a valid claim against the  
13 nondebtor entity that it identified as the debtor on their  
14 claim.

15 Accordingly, the debtors respectfully request that the  
16 Court grant the thirty-seventh omnibus objection as to claim  
17 12708 and enter the supplemental order with the modified  
18 language agreed upon by the parties.

19 THE COURT: It's granted in accordance with the  
20 statements you've made in light of the agreed language of the  
21 order.

22 MS. ECKOLS: Thank you, Your Honor.

23 Agenda item number 4 is a carryover item from the  
24 fifty-first omnibus objection to claims. The fifty-first  
25 omnibus objection sought to disallow and expunge certain claims

1 filed by individual noteholders as duplicative of a global  
2 claim filed by the Wilmington Trust Company in its capacity as  
3 indenture trustee.

4 Today the debtors are proceeding with respect to the  
5 claim of Kathryn Secrest which is claim 488. The debtors had  
6 several conversations with Ms. Secrest and were able to resolve  
7 her objection. Her formal notice of withdrawal of objection is  
8 at docket entry 13774.

9 Accordingly, the debtors respectfully request that the  
10 Court grant the debtors' fifty-first omnibus objection as to  
11 the Secrest claim 488.

12 THE COURT: It's granted.

13 MS. ECKOLS: Your Honor, agenda item number 5 is a  
14 carryover item from the debtors' sixty-third omnibus objection  
15 to claims. The sixty-third omnibus objection sought to reduce  
16 and allow certain derivative claims filed against the debtors.

17 Today the debtors are proceeding as to claims 22021  
18 and 22022 filed by EnergyCo Marketing and Trading LLC, also  
19 known as Optim Energy Marketing. The parties have reached  
20 agreement that those claims should be reduced and allowed at a  
21 million dollars.

22 Accordingly, the debtors respectfully request that the  
23 Court grant the sixty-third omnibus objection as to EnergyCo  
24 Marketing and Trading LLC's claims and reduce and allow them at  
25 a million dollars.

1 THE COURT: It's granted.

2 MS. ECKOLS: Your Honor, taking up agenda item number  
3 6, which is a carryover item from the debtors' sixty-seventh  
4 omnibus objection. The sixty-seventh omnibus objection also  
5 sought to reduce and allow certain derivative claims filed  
6 against the debtors.

7 Today the debtors are proceeding as to claim 34197  
8 filed by American International Group, Inc. Retirement Plan  
9 Trust. The parties have reached agreement that that claim  
10 should be reduced and allowed at \$6,126,900.14.

11 Accordingly, the debtors respectfully request that the  
12 Court grant the sixty-seventh omnibus objection as to claim  
13 34197 and reduce and allow it at \$6,126,900.14.

14 THE COURT: It's granted as to that claim.

15 MS. ECKOLS: Thank you, Your Honor.

16 Taking up agenda item 7 which starts the new omnibus  
17 objections. Agenda item number 7 is the sixty-ninth omnibus  
18 objection to claims. And that omni is seeking the modification  
19 and allowance of claims for which the parties had reached an  
20 agreement with respect to the claim amount, classification  
21 and/or debtor entity that is not reflected on the claimant's  
22 proofs of claim. The omnibus objection is seeking to modify  
23 those claims to conform to the parties' agreement.

24 Thus the debtors respectfully request that the Court  
25 grant the sixty-ninth omnibus objection to claims.

1 THE COURT: The sixty-ninth omnibus objection is  
2 granted.

3 MS. ECKOLS: Thank you.

4 Your Honor, agenda item number 8 is the debtors'  
5 seventieth omnibus objection to claims. This omnibus objection  
6 is seeking to disallow and expunge approximately 260 derivative  
7 claims with an asserted value of over 460 million dollars.  
8 These are claims that were settled with an agreement that  
9 either the debtors were owed money under the relevant  
10 transactions or that no amounts were due between the parties at  
11 all. The omnibus objection is seeking to disallow and expunge  
12 the claims on the grounds that the debtors have no liability  
13 pursuant to the parties' agreements.

14 Accordingly, the debtor respectfully request that the  
15 Court grant the seventieth omnibus objection to claims.

16 THE COURT: The seventieth omnibus objection to claims  
17 is granted.

18 MS. ECKOLS: Your Honor, taking up agenda item number  
19 9 which is the seventy-second omnibus objection to claims.  
20 This seeks to disallow and expunge approximately 200 claims  
21 with an asserted value of over 16 billion dollars on the basis  
22 that they were amended and superseded by a subsequently filed  
23 claim by the same claimant.

24 There is one resolved response that we are going  
25 forward with today. That is the response of Tamotsu Aoyama.

1 Ms. Aoyama submitted two claims, one on the general proof of  
2 claim form and one on the Lehman Programs Securities form, as  
3 Ms. Aoyama was not sure if her claim was for a Lehman program  
4 security. Because of her uncertainty, Ms. Aoyama wanted to  
5 maintain both claims on the claims register.

6 The debtors have informed Ms. Aoyama that her claim is  
7 not for a Lehman Programs Securities. On that basis Ms. Aoyama  
8 requested that the claims that were designated as claim to be  
9 disallowed and expunged and surviving claim be switched. The  
10 debtors agreed to the switch which resolved Ms. Aoyama's  
11 objection.

12 There was also a related document filed, the limited  
13 response and reservation of rights of Olivant Investments  
14 Switzerland S.A. Again, this was simply a reservation of  
15 rights and the debtors have communicated with Olivant's counsel  
16 and confirmed that Olivant does not object to the seventy-  
17 second omnibus objection to claims.

18 There was also an addition to the proposed language of  
19 the order that was made at the request of counsel. It's to  
20 clarify the debtors' reservation of rights to object to the  
21 surviving claims. It does not extend to claims that have been  
22 allowed by an order of the court or by a signed settlement or  
23 termination agreement authorized by the court.

24 Your Honor, as it is uncontested, the debtors  
25 respectfully request that the Court grant the seventy-second

1 omnibus objection to claims.

2 THE COURT: It's granted.

3 MS. ECKOLS: Thank you.

4 Your Honor, agenda item number 10 is the seventy-third  
5 omnibus objection to claims. It seeks to reclassify as equity  
6 interest claims filed by current and/or former employees of the  
7 debtors that are based on restricted stock units and/or  
8 contingent stock awards. The restricted stock units and  
9 contingent stock awards provided employees with the right to  
10 shares of LBHI common stock at a future date upon the  
11 satisfaction of certain conditions precedent.

12 The restricted stock units and contingent stock awards  
13 fall squarely within the Bankruptcy Code's definition of an  
14 equity security which includes shares of a corporation as well  
15 as a warrant or right to purchase or sell such shares. Thus  
16 the employee claimants are equity security holders that have  
17 interests but not claims against the debtors. Moreover,  
18 Section 510(b) of the Bankruptcy Code requires that the  
19 employee stock claims be treated as equity interests as said  
20 claims arise from the purchase or sale of a security in the  
21 debtors.

22 Your Honor, we are proceeding uncontested today as to  
23 the seventy-third omnibus objection and respectfully request  
24 that the Court grant said objection.

25 THE COURT: It's granted.

1 MS. ECKOLS: Thank you.

2 Your Honor, agenda items 11 and 12 are the same type  
3 of omnibus objection. Unless Your Honor objects I was going to  
4 take them up together.

5 THE COURT: That's fine.

6 MS. ECKOLS: Agenda items 11 and 12 are the  
7 seventy-fourth and seventy-fifth omnibus objection to claims.  
8 This omnibus objection also seeks to reclassify certain claims  
9 as equity interests. These are claims that are based on the  
10 ownership of stock in the debtors.

11 As discussed, stock is an equity security under the  
12 Bankruptcy Code and the holders of the stock claims are equity  
13 security holders with interests but not claims against the  
14 debtors. Moreover, to the extent that the holders of the stock  
15 claims seek to recover damages arising from the purchase or  
16 sale of their stock, Section 510(b) of the Bankruptcy Code  
17 requires that those claims have the same priority as common  
18 equity in LBHI.

19 The debtors are proceeding uncontested today and  
20 respectfully request that the Court grant the debtors' seventy-  
21 fourth and seventy-fifth omnibus objections.

22 THE COURT: Both of them are granted.

23 MS. ECKOLS: Thank you, Your Honor.

24 And now, Your Honor, I will turn the podium over to my  
25 colleague Garrett Fail for agenda item number 13.

1 MR. FAIL: Good morning, Your Honor. Garrett Fail,  
2 Weil Gotshal & Manges for Lehman Brothers Holdings, Inc. and  
3 the affiliated debtors.

4 The next motion on the agenda is a motion of Lehman  
5 Brothers Finance Asia Pte Ltd. which is one of the debtors'  
6 affiliates that's a party to the court-approved global  
7 protocol. And the motion seeks to deem Lehman Brothers Finance  
8 Asia's derivative and guarantee questionnaires to be timely  
9 proofs of claims and to permit a late claim filing pursuant to  
10 Bankruptcy Rule 9006(b)(1).

11 As indicated on the agenda, the debtors have entered  
12 into a stipulation that, with the Court's permission, I would  
13 present to the Court. May I hand it up?

14 THE COURT: Yes.

15 MR. FAIL: Your Honor, after months of conversation,  
16 sharing of information, and exchanging legal arguments with  
17 Lehman Brothers Finance Asia, the debtors concluded that there  
18 was sufficient justification not to object to the claims of  
19 Lehman Brothers Finance Asia on the basis of their timeliness.

20 The proposed stipulation does reserve all parties'  
21 rights to object to the claims of Lehman Brothers Finance Asia  
22 on all other bases.

23 The stipulation has been shared with the creditors'  
24 committee which we understand -- which the debtors understand  
25 have no objection to the relief requested.



1           Accordingly, the debtors request that the Court  
2           approve the stipulation.

3           THE COURT: I'm prepared to do what you request but I  
4           note that there is a -- what I'll call some tension in that in  
5           other settings the debtor has objected to questionnaires being  
6           the functional equivalent of a timely filed proof of claim and  
7           the Court has issued a decision supporting the debtors' view,  
8           at least in certain instances, that the filing of a  
9           questionnaire is not equivalent to compliance with the proof of  
10          claim bar date requirements.

11          So a question that I have, both for the debtor and the  
12          committee as a supporter of this, is the potential impact of  
13          this stipulation upon the so-called floodgates argument that  
14          has been made on a number of occasions in these cases and the  
15          degree to which this stipulation, no matter how it may be  
16          worded, could be a source to potential future prejudice.

17          MR. FAIL: Thank you, Your Honor. Indeed, Your  
18          Honor's decision -- memorandum decision of May 20, 2010 did  
19          draw a distinction and point out, and that is the order I  
20          believe Your Honor is referring to.

21          THE COURT: Yes, it is.

22          MR. FAIL: Lehman Brothers Finance Asia made two  
23          arguments that it was prepared to vigorously prosecute. The  
24          debtors addressed the merits of both through frank discussions  
25          with Lehman Brothers Finance Asia. On the one hand, the

1 debtors did not think that the argument on excusable neglect  
2 would carry the day based on the law of the case. On the other  
3 hand, the debtors did think that the argument regarding  
4 informal proof of claim was a better argument and one that,  
5 after review of the claims registry and specific claims, the  
6 debtors believe is unique to LBFA. That's due in part, Your  
7 Honor -- that is due, Your Honor, to the fact that LBFA is a  
8 party to the global protocol and as such its bar date for  
9 proofs of claim and guarantee questionnaires was November 2,  
10 2009. LBFA filed its questionnaires, the derivative and the  
11 guarantee questionnaires prior to its bar date. In Your  
12 Honor's -- the claims at issue and the questionnaires filed at  
13 issue in the May 20, 2010 decision were filed after the bar  
14 date and such -- and as there's a distinction here where in the  
15 previous examples there was nothing timely filed. Here in this  
16 instance, however, there was timely filed with the Court and  
17 part of the judicial record evidence of each of the claims  
18 that's going to be allowed.

19 I would note that at the time the motion was filed  
20 there was a chart, I believe, in the motion that listed a  
21 number of claims. It said seven proofs of claim had been  
22 filed. A questionnaire -- a guarantee questionnaire had not  
23 been submitted with respect to one of those and so the debtors  
24 did not agree to allow that claim to be filed. A claim was  
25 subsequently filed for the two listed at LBHI that were

1 previously listed as no proof of claim having been submitted  
2 yet but the questionnaires, the derivate questionnaires and the  
3 guarantee questionnaires had been submitted prior to the bar  
4 date and as such, to be consistent, those claims would be  
5 allowed pursuant to the stipulation.

6           Going back to the informal claim standards that we  
7 think were satisfied, the questionnaires did state the  
8 existence and nature of the debt, they stated the amount of the  
9 claim that was asserted against the estate and have evidenced  
10 LBFA's intent to hold the various debtors liable for the debt.

11           Of course, as I stated before, the stipulation  
12 provides the debtors reserve -- and all parties' rights are  
13 reserved to dispute the actual amounts and liabilities, but we  
14 agreed not to -- the debtors agreed not to object on the basis  
15 of timeliness.

16           THE COURT: All right. And I take it that you're  
17 satisfied that the situation presented by Lehman Brothers  
18 Finance Asia is sufficiently unique and distinguishable that  
19 allowing this as an informal proof of claim will not be used by  
20 others in a manner that may be hostile to the integrity of the  
21 proof of claim bar date.

22           MR. FAIL: The debtors are analyzing and have analyzed  
23 each instance on a standalone basis based on the facts and  
24 circumstances. We don't believe that there -- the debtors do  
25 not believe that there are other situations like this. The

1 debtors are not aware of any situations where questionnaires  
2 have been filed but no proofs of claim had been filed by the  
3 bar date, and as such, the debtors do not believe that this  
4 would open up the floodgates. That said, Your Honor, the  
5 debtors reserve all rights with respect to future motions  
6 brought by any claimant.

7 THE COURT: What does the committee say about this?

8 MR. FRIEDMAN: For the record, Bradley Scott Friedman,  
9 Milbank, Tweed, Hadley & McCloy for the committee.

10 Your Honor, we're comfortable with the stipulation.  
11 We've reviewed the initial motion. And to the extent that the  
12 facts here are distinguishable from the claimants who filed  
13 similar motions that you handled in the May 20th decision,  
14 we're comfortable with the stipulation.

15 We are also comforted by the fact that the debtors  
16 have, at least recently, gone through the claims register -- or  
17 at least told us they've gone through the claims register, and  
18 as Mr. Fail just said, there does not appear to be similar  
19 situations so we don't see this as an issue that might arise in  
20 the future.

21 THE COURT: Okay, thank you. I'm going to approve it,  
22 somewhat cautiously, however. I accept the representations  
23 that have been made by counsel for the debtors and the  
24 committee that this is a unique situation.

25 It may also be that the involvement of this claimant

1 in the multilateral protocol may be a factor that was  
2 considered in deciding to allow the claim. And while not  
3 highlighted in the presentation, it occurs to me that the  
4 maintenance of a positive working relationship within the  
5 committee members that participate in that protocol may itself  
6 be a factor that renders this a unique circumstance. I don't  
7 want my speculation on that, however, to be cause unless some  
8 party in court today can confirm to me that I'm correct in my  
9 assumption.

10 MR. FAIL: Your Honor, there was no quid pro -- there  
11 is no quid pro quo, you know, for the debtors' allowance or  
12 agreement not to object to this claim. However, the debtors  
13 have been working cooperatively with LBFA. LBHI and the  
14 debtors in these cases have provided LBFA's administrators with  
15 all of the information required to submit the initial filing.  
16 And I'm told by the debtors and counsel for LBFA, who's present  
17 in the court, that the parties are working to reconcile those  
18 claims amount which may in fact wind up being allowed one day  
19 in a reduced amount, of course reserving the debtors' rights to  
20 object on all bases to the claims.

21 THE COURT: I understand. What I was really seeking  
22 to identify was whether the fact that LBFA is a signatory to  
23 the multinational protocol may be one of the factors that the  
24 parties recognize is a distinguishing factor in terms of the  
25 stipulation such that it would not be used as precedent by a

1 third party as cause to breach the integrity of the bar date.

2 MR. FAIL: Indeed, Your Honor, this is a unique  
3 situation and in part due to the fact that LBFA is a member of  
4 the global protocol.

5 THE COURT: All right.

6 MR. FRIEDMAN: Bradley Friedman for the committee.  
7 Your Honor, just to confirm, what you said is not speculation,  
8 that is correct. Their entrance into the protocol is -- was a  
9 factor in our distinguishing this from potential other  
10 claimants that could possibly make -- or might try and use this  
11 to argue the same legal factors later.

12 THE COURT: All right. Does counsel for LBFA have  
13 anything to add?

14 MR. EGGERMANN: Good morning, Your Honor. Daniel  
15 Eggermann from Kramer Levin on behalf of LBFA.

16 I have nothing additional to add. I do think that the  
17 stipulation was in the spirit of the protocol and consistent  
18 with the back and forth sharing of information, reconciliation  
19 of books and records between the various estates. And as Your  
20 Honor may have heard last week during the plan presentation,  
21 the debtors are very close to a settlement with certain  
22 affiliates and my recollection is that LBFA was identified as  
23 one of the foreign affiliates that is further along than some  
24 of the others. And we expect to reach finality with respect to  
25 the reconciliation of the various accounts back and forth in

1 the very near term.

2 THE COURT: All right. Thank you. I'll approve the  
3 stipulation.

4 MR. FAIL: Thank you, Your Honor. I believe that  
5 concludes today's agenda.

6 THE COURT: Fine, we're adjourned.

7 (Whereupon these proceedings were concluded at 10:33 a.m.)  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

I N D E X

RULINGS

Page Line

Debtors' tenth omnibus objection to Mr.	8	6
Hoogstraten's claim number 45259 granted		
Debtors' thirty-fifth omnibus objection	8	19
granted as to the Darby Financial Products		
claim to be reduced and allowed at \$2,475,000		
Debtors' thirty-seventh omnibus objection	9	20
to claim 12708 granted together with		
supplemental order with modified language		
agreed upon by the parties		
Debtors' fifty-first omnibus objection	10	13
to Secrest claim 488 granted		
Debtors' sixty-third omnibus objection	11	2
granted as to EnergyCo Marketing and		
Trading LLC's claims which are reduced		
and allowed at a million dollars		



		Page	25
1	Debtors' sixty-seventh omnibus objection	11	15
2	granted as to claim 34197 which is		
3	reduced and allowed at \$6,126,900.14		
4			
5	Debtors' sixty-ninth omnibus objection	12	2
6	granted		
7			
8	Debtors' seventieth omnibus objection	12	17
9	granted		
10			
11	Debtors' seventy-second omnibus objection	14	3
12	Granted		
13			
14	Debtors' seventy-third omnibus objection	15	1
15	Granted		
16			
17	Debtors' seventy-fourth and seventy-fifth	15	23
18	omnibus objections granted		
19			
20	Stipulation with LBFA that its derivative	23	1
21	guarantee questionnaires be deemed timely		
22	filed proofs of claim and permitting a late		
23	claim filing pursuant to Federal Rule of		
24	Bankruptcy Procedure 9006(B)(1) - Approved		
25			

C E R T I F I C A T I O N

I, Sharona Shapiro, certify that the foregoing transcript is a  
true and accurate record of the proceedings.

**Sharona  
Shapiro**

Digitally signed by Sharona Shapiro  
DN: cn=Sharona Shapiro, c=US  
Reason: I am the author of this  
document  
Date: 2011.01.21 11:16:12 -05'00'

SHARONA SHAPIRO (CET\*\*D-492)

AAERT Certified Electronic Transcriber

Veritext

200 Old Country Road

Suite 580

Mineola, NY 11501

Date: January 21, 2011